

# Chippewa Local School District

Wayne County

Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Years Ended June 30, 2015, 2016 and 2017

Forecasted Fiscal Years Ending June 30, 2018 through 2022 (as submitted per Ohio Department of Education October requirement)

	Actual				Forecasted				
	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Average Change	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022
<b>Revenues</b>									
1.010 General Property Tax (Real Estate)	\$4,287,388	\$4,094,417	\$4,185,452	-1.1%	\$4,205,250	\$4,241,250	\$4,280,500	\$4,325,200	\$4,370,100
1.020 Tangible Personal Property Tax		2,944							
1.030 Income Tax	1,917,772	2,015,119	2,005,279	2.3%	1,127,600	303,500			
1.035 Unrestricted State Grants-in-Aid	5,226,419	5,205,147	5,277,649	0.5%	5,305,500	5,315,200	5,345,100	5,355,500	5,380,200
1.040 Restricted State Grants-in-Aid									
1.045 Restricted Federal Grants-in-Aid - SFSF									
1.050 Property Tax Allocation	519,743	529,387	517,038	-0.2%	528,650	546,900	558,900	572,200	585,200
1.060 All Other Revenues	665,308	850,744	845,931	13.7%	804,700	826,700	854,700	868,700	880,100
1.070 <b>Total Revenues</b>	<b>12,616,630</b>	<b>12,697,758</b>	<b>12,831,349</b>	<b>0.8%</b>	<b>11,971,700</b>	<b>11,233,550</b>	<b>11,039,200</b>	<b>11,121,600</b>	<b>11,215,600</b>
<b>Other Financing Sources</b>									
2.010 Proceeds from Sale of Notes									
2.020 State Emergency Loans and Advancements (Approved)									
2.040 Operating Transfers-In									
2.050 Advances-In									
2.060 All Other Financing Sources									
2.070 <b>Total Other Financing Sources</b>									
2.080 <b>Total Revenues and Other Financing Sources</b>	<b>12,616,630</b>	<b>12,697,758</b>	<b>12,831,349</b>	<b>0.8%</b>	<b>11,971,700</b>	<b>11,233,550</b>	<b>11,039,200</b>	<b>11,121,600</b>	<b>11,215,600</b>
<b>Expenditures</b>									
3.010 Personal Services	6,366,812	6,252,081	6,475,363	0.9%	6,335,450	6,515,200	6,728,750	6,985,200	7,226,200
3.020 Employees' Retirement/Insurance Benefits	2,548,700	2,527,355	2,580,968	0.6%	2,605,400	2,630,100	2,680,100	2,710,900	2,745,900
3.030 Purchased Services	1,696,018	2,029,682	2,276,330	15.9%	2,270,400	2,286,850	2,291,500	2,306,400	2,326,400
3.040 Supplies and Materials	359,756	418,787	511,380	19.3%	435,300	450,700	466,700	480,300	480,300
3.050 Capital Outlay	175,453	12,399	1,927	-88.7%	177,900	101,400	105,600	188,500	204,200
3.060 Intergovernmental									
<b>Debt Service:</b>									
4.010 Principal-All (Historical Only)									
4.020 Principal-Notes									
4.030 Principal-State Loans									
4.040 Principal-State Advancements									
4.050 Principal-HB 264 Loans									
4.055 Principal-Other									
4.060 Interest and Fiscal Charges									
4.300 Other Objects	362,770	232,629	187,356	-27.7%	229,450	252,600	278,800	292,500	304,400
4.500 <b>Total Expenditures</b>	<b>11,509,509</b>	<b>11,472,933</b>	<b>12,033,324</b>	<b>2.3%</b>	<b>12,053,900</b>	<b>12,236,850</b>	<b>12,551,450</b>	<b>12,963,800</b>	<b>13,287,400</b>
<b>Other Financing Uses</b>									
5.010 Operating Transfers-Out	229,000	3,118,000	359,000	586.5%	305,000	297,500	302,700	310,400	340,400
5.020 Advances-Out	286,286								
5.030 All Other Financing Uses									
5.040 <b>Total Other Financing Uses</b>	<b>515,286</b>	<b>3,118,000</b>	<b>359,000</b>	<b>208.3%</b>	<b>305,000</b>	<b>297,500</b>	<b>302,700</b>	<b>310,400</b>	<b>340,400</b>
5.050 <b>Total Expenditures and Other Financing Uses</b>	<b>12,024,795</b>	<b>14,590,933</b>	<b>12,392,324</b>	<b>3.1%</b>	<b>12,358,900</b>	<b>12,534,350</b>	<b>12,854,150</b>	<b>13,274,200</b>	<b>13,627,800</b>
6.010 <b>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</b>	<b>591,835</b>	<b>1,893,175</b>	<b>439,025</b>	<b>-271.5%</b>	<b>387,200</b>	<b>1,300,800</b>	<b>1,814,950</b>	<b>2,152,600</b>	<b>2,412,200</b>
7.010 <b>Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies</b>	<b>6,414,719</b>	<b>7,006,554</b>	<b>5,113,379</b>	<b>-8.9%</b>	<b>5,552,404</b>	<b>5,165,204</b>	<b>3,864,404</b>	<b>2,049,454</b>	<b>103,146</b>
7.020 <b>Cash Balance June 30</b>	<b>7,006,554</b>	<b>5,113,379</b>	<b>5,552,404</b>	<b>-9.2%</b>	<b>5,165,204</b>	<b>3,864,404</b>	<b>2,049,454</b>	<b>103,146</b>	<b>2,515,346</b>
8.010 <b>Estimated Encumbrances June 30</b>									
<b>Reservation of Fund Balance</b>									
9.010 Textbooks and Instructional Materials									
9.020 Capital Improvements									
9.030 Budget Reserve									
9.040 DPIA									
9.045 Fiscal Stabilization									
9.050 Debt Service									
9.060 Property Tax Advancements									
9.070 Bus Purchases									
9.080 <b>Subtotal</b>									
10.010 <b>Fund Balance June 30 for Certification of Appropriations</b>	<b>7,006,554</b>	<b>5,113,379</b>	<b>5,552,404</b>	<b>-9.2%</b>	<b>5,165,204</b>	<b>3,864,404</b>	<b>2,049,454</b>	<b>103,146</b>	<b>2,515,346</b>
<b>Revenue from Replacement/Renewal Levies</b>									
11.010 Income Tax - Renewal									
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11.300 <b>Cumulative Balance of Replacement/Renewal Levies</b>									
12.010 <b>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</b>	<b>7,006,554</b>	<b>5,113,379</b>	<b>5,552,404</b>	<b>-9.2%</b>	<b>5,165,204</b>	<b>3,864,404</b>	<b>2,049,454</b>	<b>103,146</b>	<b>2,515,346</b>
<b>Revenue from New Levies</b>									
13.010 Income Tax - New									
13.020 Property Tax - New									
13.030 <b>Cumulative Balance of New Levies</b>									
14.010 <b>Revenue from Future State Advancements</b>									
15.010 <b>Unreserved Fund Balance June 30</b>	<b>7,006,554</b>	<b>5,113,379</b>	<b>5,552,404</b>	<b>-9.2%</b>	<b>5,165,204</b>	<b>3,864,404</b>	<b>2,049,454</b>	<b>103,146</b>	<b>2,515,346</b>
<b>ADM Forecasts</b>									
20.010 Kindergarten - October Count	76	100	80		75	80	82	84	87
20.015 Grades 1-12 - October Count	1252	1212	1164		1128	1135	1148	1160	1181
<b>State Fiscal Stabilization Funds</b>									
21.010 Personal Services SFSF									
21.020 Employees Retirement/Insurance Benefits SFSF									
21.030 Purchased Services SFSF									
21.040 Supplies and Materials SFSF									
21.050 Capital Outlay SFSF									
21.060 <b>Total Expenditures - SFSF</b>									

See accompanying summary of significant forecast assumptions and accounting policies

Includes: General fund, Emergency Levy fund, DPIA fund, Textbook fund and any portion of Debt Service fund related to General fund debt

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Wayne County

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For the Fiscal Years Ended June 30, 2015, 2016 and 2017

Forecasted Fiscal Years Ending June 30, 2018 through 2022 (as projected with school district income tax renewal approved November 7, 2017)

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1.070 <b>Total Revenues</b>	<b>12,616,630</b>	<b>12,697,758</b>	<b>12,831,349</b>	<b>0.8%</b>	<b>12,854,300</b>	<b>12,965,150</b>	<b>13,094,450</b>	<b>13,212,500</b>	<b>13,346,100</b>
<b>Other Financing Sources</b>									
2.010 Proceeds from Sale of Notes									
2.020 State Emergency Loans and Advancements (Approved)									
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7.010 <b>Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies</b>	<b>6,414,719</b>	<b>7,006,554</b>	<b>5,113,379</b>	<b>-8.9%</b>	<b>5,552,404</b>	<b>6,047,804</b>	<b>6,478,604</b>	<b>6,718,904</b>	<b>6,657,204</b>
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21.030 Purchased Services SFSF									
21.040 Supplies and Materials SFSF									
21.050 Capital Outlay SFSF									
21.060 <b>Total Expenditures - SFSF</b>									

See accompanying summary of significant forecast assumptions and accounting policies

Includes: General fund, Emergency Levy fund, DPIA fund, Textbook fund and any portion of Debt Service fund related to General fund debt

General property tax is projected to increase \$99,000 annually over the five year period which is minimal due to the district being at or near the twenty mill floor, and because Class I values for residential and agricultural account for eighty-two percent of the total property valuation. The district will experience a triennial update for district property values in the year 2017. The district has experienced little or no growth in the total local valuation of Residential and Agricultural properties and as they increased .23% from the prior year. Residential and Agricultural values account for 83% of the district property worth. With the loss of all Tangible Personal Property taxes in the year 2011, the district was fortunate to maintain a total valuation growth of 1.00% for the year 2012, 1.32% for the year 2013, 5.44% for the appraisal year 2014, 1.49% for the year 2015 and .95% for the year 2016. .

CHIPPEWA LOCAL SCHOOL DISTRICT										
District Valuations										
	2012		2013		2014		2015		2016	
Residential	145,665,810	0.27%	146,046,400	0.26%	147,919,860	1.28%	148,873,720	0.64%	149,333,990	0.31%
Agricultural	13,476,970	-0.21%	13,735,760	1.92%	19,486,110	41.86%	19,250,590	-1.21%	19,730,470	2.49%
Subtotal	159,142,780	0.23%	159,782,160	0.40%	167,405,970	4.77%	168,124,310	0.43%	169,064,460	0.56%
Commercial	9,249,760	0.00%	9,793,140	5.87%	10,690,200	9.16%	9,766,470	-8.64%	9,852,170	0.88%
Industrial	2,003,900	0.00%	2,003,900	0.00%	2,320,470	15.80%	2,211,790	-4.68%	2,189,990	-0.99%
Mineral	176,900	-14.84%	104,500	-40.93%	70,430	-32.60%	68,760	-2.37%	51,690	-24.83%
Subtotal	11,430,560	-0.27%	11,901,540	4.12%	13,081,100	9.91%	12,047,020	-7.91%	12,093,850	0.39%
Railroad R.E.	100,350	-16.21%	103,930	3.57%	105,570	1.58%	106,610	0.99%	103,140	-3.25%
Public Utility	17,740,440	9.54%	19,107,340	7.70%	20,692,490	8.30%	23,998,660	15.98%	24,960,650	4.01%
Tangible Personal Prop.	0		0		0		0		0	
Subtotal	17,840,790	9.36%	19,211,270	7.68%	20,798,060	8.26%	24,105,270	15.90%	25,063,790	3.98%
<b>TOTAL</b>	<b>188,414,130</b>	<b>1.00%</b>	<b>190,894,970</b>	<b>1.32%</b>	<b>201,285,130</b>	<b>5.44%</b>	<b>204,276,600</b>	<b>1.49%</b>	<b>206,222,100</b>	<b>0.95%</b>

Note: Percentages represent change from the previous year.

The district received approximately 32.6% of operating revenue from local property values and effective millage. (Voted millage is reduced as property values increase to create an effective millage rate) The district has remained at or near the twenty mill floor for operations as allowed by law.

Additionally, The district failed the renewal of the 1.9 mill levy for permanent improvements at the ballot on March 15, 2016 and did not pursue a replacement levy. The district has approved a 4.9 mill levy for construction of a new grade 7-12 building for educational instruction. That levy has been reduced to 4.4 mills due to a favorable rate for bonded debt and formidable collections in the early years of the issue. The district continues to experience the lowest property tax rate for operations when compared to all other school districts within the county.

The district voters rejected the renewal of the five year earned income one percent income tax on May 2, 2017. The renewal issue received 47.05% voter approval which was places the district with a loss of 15.6% in local revenue. slightly above the original approved vote in August of 2007. While the tax was certified to raise an additional \$1.6 million per year, collections have been below the anticipated amount by 11.4% in the first four years of collection. The income began to show income growth in fiscal year 2011 and for the first time met the certified amount. The tax continued its growth and experienced a 2.29% increase for the 2013 fiscal year. Estimated growth in income tax for future years of the forecast are at a conservative increase of 6.23% for the five years. The income tax is anticipated to generate a substantial (15 percent) portion of the total operating revenue while trying to promote equity within the local share of tax generation. This also will allow the district to go to the state minimum floor (20 mills) for local effective millage against residential and agricultural properties.

*CHIPPEWA LOCAL SCHOOL DISTRICT*

*School District Income Tax History*

*Fiscal Year Collection*

<i>2007/2008</i>	<i>65,645</i>
<i>2008/2009</i>	<i>967,191</i>
<i>2009/2010</i>	<i>1,483,246</i>
<i>2010/2011</i>	<i>1,657,647</i>
<i>2011/2012</i>	<i>1,770,648</i>
<i>2012/2013</i>	<i>1,811,220</i>
<i>2013/2014</i>	<i>1,799,231</i>
<i>2014/2015</i>	<i>1,917,772</i>
<i>2015/2016</i>	<i>2,015,119</i>
<i>2016/2017</i>	<i>2,005,279</i>

Tangible personal property tax values had been reduced to zero for the 2011 tax year. This has been due to changes in legislation and future years anticipate little change pending new law and with consideration of past trend. While the majority of that decrease came in fiscal year 2010, those revenue dollars have dissolved completely and no revenue from tangible personal property taxes is projected in the forecast. The district received over \$200,000 of revenue annually in years past.

The district has received little or no increase from the state general revenue fund over the past nine years. (outside of federal stimulus dollars which were temporary and not guaranteed.) The district actually received .4% less dollars in the fiscal year 2015/2016 than it did in the previous year. Basic state aid is anticipated to generate little or no increase of revenue for each year of the next biennium due to a lack of funds at the state level. Chippewa Local has relied on the state for approximately one half of its funding for many years. The district has had to increase local revenue over \$450,000 due to reductions in state aid due to the valuation charge off and decreases with the transitional aid guarantee.

Personal Services are projected to increase slightly in the forecasted years. The district negotiated a new Chippewa Education Association for the period 7/1/17 through 6/30/20 with a base increase of one and a half percent-year one, two and a quarter percent-year two, and two and one eighth percent-year three, respectively. The OAPSE Local Chapter #445 labor agreement expires at the end of the 2017/2018 year. The ratio of labor costs to the total operating budget is forecasted to increase slightly over the five year period.

Employee benefits are based on the above related costs of labor for retirement, workers compensation, and Medicare tax rates. Included are anticipated increases to insurance premiums estimated to be approximately 8.2% in each year of the forecast. The district has attained an adequate reserve for insurance claims with some stabilization of the market and negotiated changes to the plan. Proposed changes to the retirement systems include increased shares of contribution which are not portrayed in the forecast but could increase district costs.

Purchased services are projected based on historical trend after a large reduction experienced in the 2015 fiscal year. The district is forecasting a slight decrease in costs for fiscal year 2018 and less than a one percent annual increase for the five years of the forecast based on prior year average.

Supplies and materials are projected to remain relatively flat with little change over the forecasted years with the exception of additional classroom textbooks being purchased. The district experienced a large increase in fiscal year 2017 due to purchases of technology but are forecast to increase slightly above one percent for future years.

Capital expenditures are forecasted to decrease with the largest portion of the expense line included anticipated bus purchases and/or transportation equipment. A large increase in dollars spent in fiscal year 2015 was due to two bus purchases.